


KEN BURKE, CPA
CLERK OF THE CIRCUIT COURT AND COMPTROLLER
PINELLAS COUNTY, FLORIDA

FINANCE DIVISION

Clerk of the County Court
Recorder of Deeds
Clerk and Accountant of the Board of County Commissioners
Custodian of County Funds
County Auditor
Clerk of the Water and Navigation Control Authority

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TO: The Honorable Chair and Members of the
Pinellas County Board of County Commissioners

FROM:  Ken Burke, CPA
Clerk of Circuit Court and Comptroller

SUBJECT: Quarterly Investment Report for the Period Ended March 31, 2021

DATE: June 3, 2021

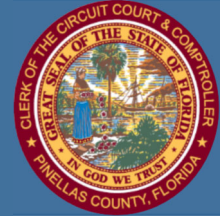
We are pleased to provide you with the enclosed Quarterly Investment Report for the period ended March 31, 2021.

If you have any recommendations or comments regarding the report, we welcome your feedback. Feel free to contact me at 727-464-3341 or Jeanette Phillips, Chief Deputy Director, Finance Division at 727-464-8300.

Cc: Jeanette L. Phillips, CPA, CGFO, Chief Deputy Director, Finance Division
Jewel White, County Attorney
Barry A. Burton, County Administrator
Board Records

Pinellas County Board of County Commissioners Quarterly Investment Report

For the Period Ended March 31, 2021

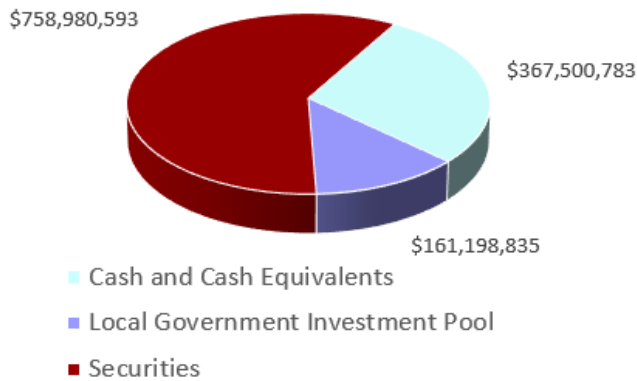


Section 218.415, Florida Statutes authorizes the governing body of a local government to adopt a written investment plan to govern investment activity. The Board of County Commissioners (Board) adopted Section 2-144 of the Pinellas County Code, Investment of Surplus Public Funds, establishing policies for investing all County surplus funds controlled by the Board. All investment activity is conducted in accordance with Code Section 2-144 and additional written policies and procedures.

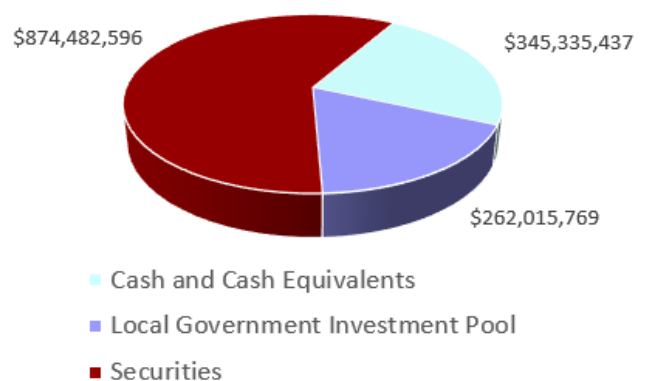
KEN BURKE, CPA
CLERK OF THE CIRCUIT COURT
AND COMPTROLLER
PINELLAS COUNTY, FLORIDA

Portfolio Balances

As of March 31, 2020 - \$1,287,680,211



As of March 31, 2021 - \$1,481,833,802



Portfolio Quarter-End Statistics	3/2020	6/2020	9/2020	12/2020	3/2021
Total Portfolio - book value	\$1,287,680,211	\$1,370,443,576	\$1,237,926,660	\$1,580,196,350	\$1,481,833,802
Securities weighted average maturity (WAM)	1.37 years	1.34 years	1.19 years	1.55 years	1.49 years
Realized investment income	\$6,057,275	\$4,477,946	\$4,041,604	\$3,511,348	\$3,120,515
Composite Yields (3-month daily average)					
Short Term Portfolio	1.47%	0.47%	0.31%	0.23%	0.15%
Benchmark (3-month T-Bill)	1.13%	0.14%	0.11%	0.09%	0.05%
Long Term Portfolio	2.22%	2.16%	2.06%	1.90%	1.32%
Benchmark (2-year-T-Bill)	1.10%	0.19%	0.14%	0.15%	0.13%
Portfolio Overall	1.94%	1.48%	1.37%	1.22%	0.84%

Pinellas County Board of County Commissioners

Quarterly Investment Report

For the Period Ended March 31, 2021

Economic Information

A year since the World Health Organization (WHO) declared COVID-19 a pandemic, the U.S. economy continues its gradual and uneven path to recovery. Following a dramatic recovery in the third quarter of 2020, growth moderated to a 4.3% annualized rate in the final quarter of 2020 as a surge in coronavirus cases, election result uncertainties, and the delayed passage of the second phase of fiscal stimulus weighed on economic activity. Growth rebounded sharply in the first quarter of 2021, however, with Gross Domestic Product (GDP) expanding at a solid 6.4% annualized rate. The strength of the U.S. consumer was on full display over the period as personal consumption, the largest contributor to GDP, surged by an annualized 10.7%, its second strongest reading since the 1960's. The momentum in recent economic activity is further evidenced by the surprising strength of the March Institute for Supply Management (ISM) survey results. Manufacturing activity in the U.S. expanded at its fastest pace since 1983 in the final month of the quarter as growth in new orders confirmed accelerating household and business demand. Similarly, the ISM Service Index surged in March to an all-time high of 63.7 – the strongest reading since records began in 1997.

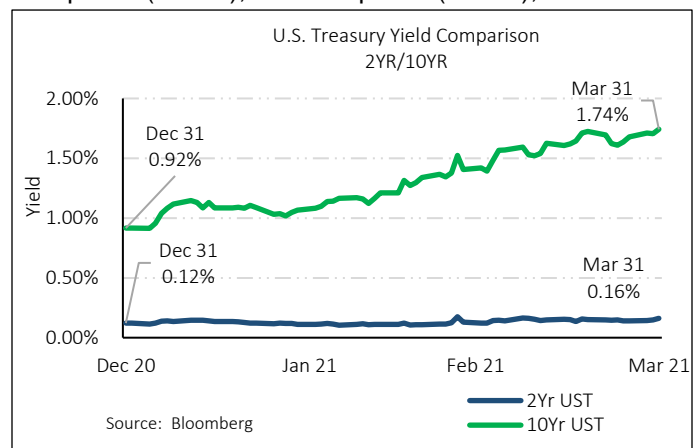
Looking ahead, the outlook for growth in 2021 remains decidedly strong as the improving public health outlook and tailwinds from still-extraordinarily accommodative monetary and fiscal policies underpin economic activity. With President Biden's first 100 days in office now passed, it is clear that the administration is willing to expand federal spending in meaningful ways to support the economy. Following the passage of the \$1.9 trillion American Rescue Plan stimulus package in March, the president has outlined plans for two additional spending packages; the \$2.3 trillion American Jobs Plan designed to invest in U.S. infrastructure, and the \$1.8 trillion American Families Plan aimed at promoting a more equitable recovery.

Against this backdrop, the International Monetary Fund (IMF) now projects the U.S. economy will expand 6.4% this year which would mark the fastest annual pace of growth since 1984. Federal Reserve Chairman Powell, however, continues to reiterate that the Fed is in no hurry to change its easy monetary policy and that effects on inflation from stimulus distributions are currently expected to be transitory.

Treasury Yields:

Short-term interest rates remain anchored by the Federal Reserve's near-zero interest rate policy and were generally unchanged over the quarter. By contrast, intermediate and longer-term interest rates trended higher over the period as the combination of historically accommodative monetary and fiscal policies combined with the improving public health outlook and reopening optimism fueled a rise in inflation expectations over the period. For the quarter, two-year, five-year, and ten-year U.S. Treasury yields rose 4 basis points (0.04%), 58 basis points (0.58%), and 83 basis points (0.83%), respectively. Amidst this backdrop the yield spread between two-year and ten-year Treasuries rose to 158 basis points (1.58%) from 79 basis points (0.79%) last quarter.

High-quality corporate bond credit spreads relative to U.S. Treasuries remained compressed and extremely narrow relative to historical average. The Option Adjusted Spread (OAS) relative to comparable U.S. Treasury securities for the ICEBofAML 1-5 Year A-AAA Corporate Index was unchanged at just 39 basis points (0.39%) over the quarter, remaining well below its 20 year average of 104 basis points (1.04%) and just off its lowest reading ever of 36 basis points (0.36%) reached in early March. The Federal Reserve's extraordinary



Pinellas County Board of County Commissioners

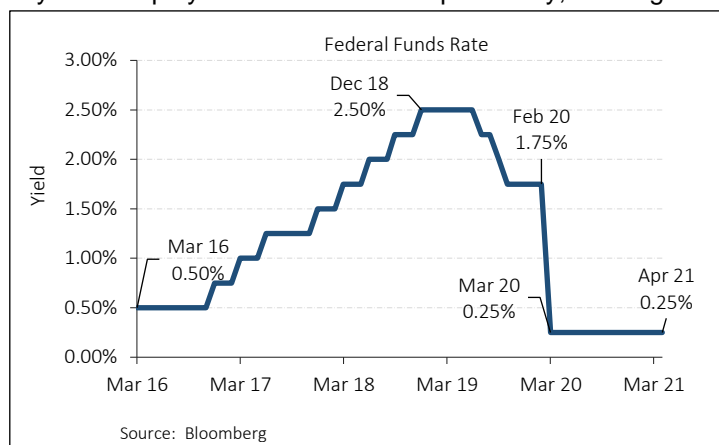
Quarterly Investment Report

For the Period Ended March 31, 2021

accommodation, in the form of near-zero short-term interest rate policy and ongoing large-scale asset purchases, have helped propel corporate borrowing costs to historically low levels resulting in exceptionally accommodative financial conditions throughout many sectors of the economy.

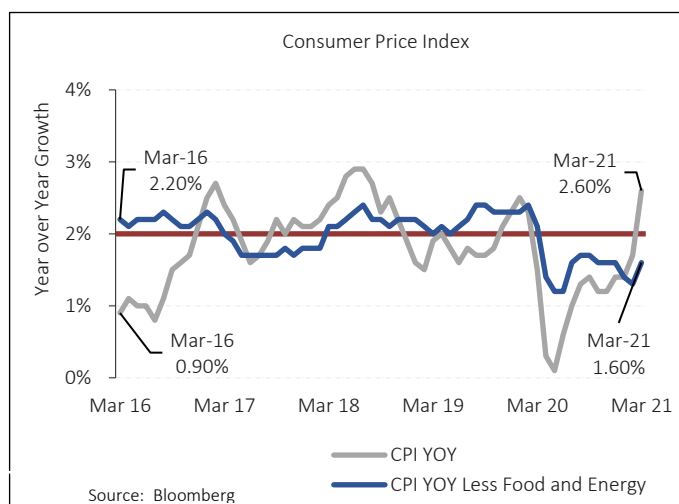
Federal Funds Rate:

As expected, the Federal Open Market Committee (FOMC) left interest rates unchanged at its January 27th and March 17th meetings. The FOMC's March decision was unanimous though a growing proportion of members believe a rate hike will be appropriate by the end of 2023 with seven of 18 officials predicting higher rates compared to five of 17 at the January meeting. In announcing their decision, the FOMC acknowledged the recent acceleration in economic activity, stating "Indicators of economic activity and employment have turned up recently, although the sectors most adversely affected by the pandemic remain weak." Consistent with their more upbeat assessment of economic conditions, the FOMC upgraded their forecasts for economic growth and the labor market, with the median estimate for unemployment falling to 4.5% at the end of 2021 and 3.5% in 2023, while gross domestic product was seen expanding 6.5% this year, up from a prior projection of 4.2%. While measures of inflation have recently accelerated, the Fed has made clear that it wants to see a sustainable pickup in inflation, and not a temporary increase. That evaluation will take time to unfold as the effects of supply chain disruptions and the reopening surge subside. For now, the Federal Reserve will remain in wait and see mode.



Consumer Price Index (CPI):

Despite the strong tailwinds currently provided by historically accommodative monetary and fiscal policies, readings of consumer inflation have remained comparatively benign with core measures persisting below the Federal Reserve's stated 2.0% target rate. That appears poised to change, however, in the months ahead as widespread vaccinations coupled with rising consumers confidence and pent-up demand support expectations for strong near-term consumer spending and upward pressure on prices. Aided by the constructive economic outlook, inflation gained momentum in March, with the Consumer Price Index (CPI) rising 0.6% over the month and lifting the annual rate to 2.6% from 1.7% in February. Measures of core inflation, which exclude the more volatile components of food & energy, were comparatively more contained but have also accelerated in recent months. Core CPI rose 0.3% in March lifting annual rate to 1.6% at quarter end from 1.3% the prior month. Easy base comparisons from last years pandemic-related shutdown have distorted the year-over-year comparisons, a dynamic that will continue over the next two months as last year's negative inflation prints roll out of the annual comparisons. However, notwithstanding such bases effects, inflation has accelerated recently with CPI and core CPI rising at an annualized rate of 5.2% and 1.9% in the last three



Pinellas County Board of County Commissioners

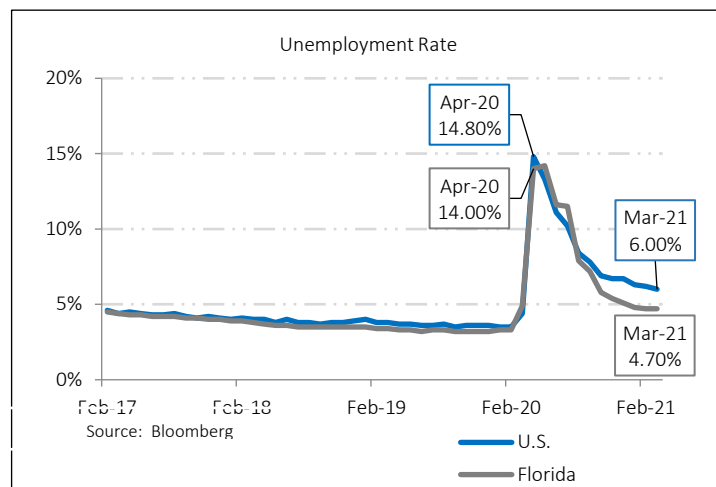
Quarterly Investment Report

For the Period Ended March 31, 2021

months, respectively. While budding inflation pressures will remain the subject of debate amongst market participants, the Federal Reserve has been clear in stating that it will wait to see a sustained acceleration in inflation and will not adjust policy in response to perceived transitory price pressures.

Labor Markets:

Following a weaker than expected close to 2020 that was punctuated by the unanticipated loss of 306 thousand jobs in December, the labor markets roared back to life in the first quarter of 2021 as reopening optimism gained momentum on the heels of the accelerating vaccine rollout and improving public health backdrop. Nonfarm Payrolls for the month of March shattered expectations as the 916k jobs added came in well above the 660 thousand survey estimate. The jobs report showed hiring rose across most industries, led by a 280 thousand gain in the leisure and hospitality category. Looking ahead, labor markets are expected to continue their recovery in 2021 as the ongoing economic reopening absorbs previously displaced workers and encourages greater participation from those who may have been sidelined during the pandemic. Despite growing improvement



in the labor market, the Federal Reserve continues to maintain its dovish assessment of employment conditions. With the labor force participation rate currently standing at just 61.5%, it would take approximately 5.2 million additional individuals reentering the labor force before returning it to pre-pandemic levels. Reintroducing these workers as unemployed would translate to an unemployment rate close to 9.4% compared to March's reading of just 6.0%. Looking ahead, the Fed will likely acknowledge the ongoing healing in labor markets but emphasize the need for further progress as the recovery remains uneven across sectors.

Investment Strategy:

The U.S. economy may see significant growth in 2021 as fiscal stimulus, easy monetary policy and rising COVID-19 vaccinations will likely aid in a broad based reopening this year. Despite the positive outlook, the Federal Reserve will need to see substantial progress towards its dual mandate of full employment and stable prices before even considering raising the federal funds target rate from the current 0 – 0.25% range. The current market projection for the first rate increase is expected to occur in 2023, a full two years from now. This persistent expectation has anchored the front-end of the Treasury yield curve near zero percent, dramatically limiting the opportunities for fixed income investors. However, given the relatively stable outlook for front-end rates, the County's investment strategy continues to favor investing in the one to three year area of the yield curve, picking up incremental income over our cash alternatives that currently hover near 0%.

The Clerk's office continues to monitor the impact on revenue sources including state shared revenues, tourist taxes, sales taxes, gas taxes, investment income and other revenues impacted by economic conditions. This may limit our ability to actively invest out the curve as liquidity needs remain in flux at this time. We continue to manage the County's core fixed-income portfolio around the ICE BofA 0-3 Year US Treasury & Agency Index while maintaining financial flexibility to prudently manage the County's funds during the ongoing COVID-19 crisis.

This Quarterly investment Report was prepared by the Clerk's Finance Division. The economic information was provided by Public Trust Advisors, LLC.

Quarterly Investment Report

For the Period Ended March 31, 2021

Pinellas County Board of County Commissioners Portfolio Summary

Investments	----- March 31, 2020 -----		----- March 31, 2021 -----			Portfolio Maximum	Issuer Limitation	Compliant
	Book Value	% of Portfolio	Book Value	Market Value	% of Portfolio			
Cash and Cash Equivalents	\$ 367,500,783	28.54%	\$ 345,335,437	\$ 345,335,437	23.30%	50%	N/A	Yes
Local Government Investment Pools	161,198,835	12.52%	262,015,769	262,015,769	17.68%	50%	N/A	Yes
U.S. Government-Sponsored Enterprise (GSE)								
Federal Farm Credit Bank	225,764,400	17.53%	197,419,586	199,224,848	13.32%		30%	Yes
Federal Home Loan Bank	200,893,957	15.60%	120,927,539	122,290,826	8.16%		30%	Yes
Federal Home Loan Mortgage Corp.	60,175,625	4.67%	120,195,811	120,329,815	8.11%		30%	Yes
Federal National Mortgage Association	32,143,171	2.50%	52,176,292	52,509,225	3.52%		30%	Yes
Subtotal GSE's	518,977,153	40.30%	490,719,228	494,354,714	33.11%	75%		Yes
Treasury Notes	240,003,440	18.64%	383,763,368	386,886,243	25.91%	75%	N/A	Yes
Subtotal Securities	758,980,593	58.94%	874,482,596	881,240,957	59.02%			
Total Portfolio Book Value	\$1,287,680,211	100.00%	\$ 1,481,833,802	\$ 1,488,592,163	100.00%			

Note: The percent of portfolio, portfolio maximum, and issuer limitation are based on book value.

Pinellas County
Portfolio Holdings by Security Type
As of 3/31/2021

Description	CUSIP/Ticker	Settlement Date	Next Call Date	Call Frequency	Maturity Date	Face Amount/Shares	Book Value	Market Value	Coupon Rate	YTM @ Book	Days To Maturity
Cash and Cash Equivalents											
Wells Fargo Cash	WACHCASH	9/30/2007	N/A	N/A	N/A	288,381,923	288,381,923	288,381,923	0.160	0.160	1
BankUnited MM	BANKUNITED	8/13/2018	N/A	N/A	N/A	46,750,753	46,750,753	46,750,753	0.200	0.200	1
BB&T MM	BBTMM-9830	8/14/2008	N/A	N/A	N/A	10,202,761	10,202,761	10,202,761	0.050	0.050	1
Sub Total / Average						345,335,437	345,335,437	345,335,437	0.162	0.162	1
Local Government Investment Pool											
FLCLASS LGIP	FLCLASS-0001	7/15/2015	N/A	N/A	N/A	221,473,065	221,473,065	221,473,065	0.108	0.108	1
FLGIT-DAY TO DAY FUND LGIP	FLGIT-0338	9/29/2009	N/A	N/A	N/A	40,542,704	40,542,704	40,542,704	0.039	0.039	1
Sub Total / Average						262,015,769	262,015,769	262,015,769	0.097	0.097	1
FFCB Bond											
FFCB 0.1 2/24/2023	3133EMRQ7	2/24/2021		N/A	2/24/2023	20,000,000	19,995,447	19,975,624	0.100	0.112	695
FFCB 0.125 12/14/2022	3133EMKU5	12/22/2020		N/A	12/14/2022	20,000,000	19,999,122	19,982,924	0.125	0.128	623
FFCB 0.25 11/27/2023	3133EMHR6	12/9/2020		N/A	11/27/2023	20,000,000	19,999,530	19,932,999	0.250	0.251	971
FFCB 1.6 1/23/2023	3133ELJH8	2/25/2020		N/A	1/23/2023	20,000,000	20,118,999	20,523,483	1.600	1.264	663
FFCB 1.625 8/22/2022	3133ELAE4	11/26/2019		N/A	8/22/2022	20,000,000	19,999,492	20,410,139	1.625	1.627	509
FFCB 1.875 6/14/2022	3133EKRD0	6/28/2019		N/A	6/14/2022	20,000,000	20,008,855	20,426,388	1.875	1.837	440
FFCB 2.7 4/9/2021	3133EJUA5	7/18/2018		N/A	4/9/2021	20,000,000	19,999,779	20,011,889	2.700	2.753	9
FFCB 2.85 9/20/2021	3133EJZU6	9/27/2018		N/A	9/20/2021	20,000,000	19,989,094	20,263,857	2.850	2.972	173
FFCB 2.93 4/22/2021	3133EJJ67	12/7/2018		N/A	4/22/2021	17,300,000	17,300,786	17,329,317	2.930	2.848	22
FFCB 3.05 11/15/2021	3133EJT74	11/29/2018		N/A	11/15/2021	20,000,000	20,008,482	20,368,228	3.050	2.978	229
Sub Total / Average						197,300,000	197,419,586	199,224,848	1.694	1.661	439
FHLB Bond											
FHLB 0.125 9/8/2023	3130AJXD6	12/23/2020		N/A	9/8/2023	20,000,000	19,970,851	19,943,692	0.125	0.185	891
FHLB 2 9/9/2022	313380GJ0	9/25/2019		N/A	9/9/2022	20,000,000	20,108,566	20,531,200	2.000	1.612	527
FHLB 2.125 6/9/2023	3133834G3	6/18/2020		N/A	6/9/2023	20,000,000	20,780,584	20,841,257	2.125	0.332	800
FHLB 2.5 3/11/2022	313378WG2	3/28/2019		N/A	3/11/2022	20,000,000	20,049,295	20,452,468	2.500	2.229	345
FHLB 2.875 12/10/2021	3130A0EN6	11/29/2018		N/A	12/10/2021	20,000,000	19,986,251	20,384,827	2.875	2.979	254
FHLB 3.625 6/11/2021	313373ZY1	7/18/2018		N/A	6/11/2021	20,000,000	20,031,992	20,137,382	3.625	2.763	72
Sub Total / Average						120,000,000	120,927,539	122,290,826	2.208	1.683	482
FHLMC Bond											
FHLMC 0.25 11/6/2023	3137EAEZ8	11/23/2020		N/A	11/6/2023	20,000,000	19,994,758	19,983,955	0.250	0.260	950
FHLMC 0.25 12/4/2023	3137EAFA2	12/9/2020		N/A	12/4/2023	20,000,000	20,003,789	19,969,107	0.250	0.243	978
FHLMC 0.25 6/26/2023	3137EAE54	12/16/2020		N/A	6/26/2023	20,000,000	20,041,931	20,015,776	0.250	0.156	817
FHLMC 0.25 8/24/2023	3137EAEV7	11/23/2020		N/A	8/24/2023	20,000,000	20,003,344	20,005,920	0.250	0.243	876
FHLMC 0.25 9/8/2023	3137EAEW5	1/27/2021		N/A	9/8/2023	20,000,000	20,042,610	19,995,187	0.250	0.162	891
FHLMC 2.375 1/13/2022	3137EADB2	9/25/2019		N/A	1/13/2022	20,000,000	20,109,379	20,359,870	2.375	1.660	288
Sub Total / Average						120,000,000	120,195,811	120,329,815	0.604	0.454	800

Description	CUSIP/Ticker	Settlement Date	Next Call Date	Call Frequency	Maturity Date	Face Amount/Shares	Book Value	Market Value	Coupon Rate	YTM @ Book	Days To Maturity
FNMA Bond											
FNMA 0.25 5/22/2023	3135G04Q3	6/18/2020		N/A	5/22/2023	20,000,000	19,967,229	20,024,323	0.250	0.327	782
FNMA 0.25 7/10/2023	3135G05G4	11/24/2020		N/A	7/10/2023	20,000,000	20,005,573	20,014,381	0.250	0.238	831
FNMA 1.375 9/6/2022	3135G0W33	11/26/2019		N/A	9/6/2022	12,246,000	12,203,490	12,470,521	1.375	1.624	524
Sub Total / Average						52,246,000	52,176,292	52,509,225	0.514	0.597	740
Treasury Note											
T-Note 0.125 10/15/2023	91282CAP6	12/16/2020		N/A	10/15/2023	20,000,000	19,984,560	19,940,625	0.125	0.155	928
T-Note 0.125 7/31/2022	91282CAC5	12/30/2020		N/A	7/31/2022	20,000,000	20,002,633	20,002,344	0.125	0.115	487
T-Note 0.125 8/31/2022	91282CAG6	12/30/2020		N/A	8/31/2022	20,000,000	20,001,994	20,000,000	0.125	0.118	518
T-Note 0.25 4/15/2023	91282ZH6	12/18/2020		N/A	4/15/2023	20,000,000	20,045,300	20,028,125	0.250	0.139	745
T-Note 0.5 3/15/2023	91282ZD5	12/22/2020		N/A	3/15/2023	20,000,000	20,145,457	20,128,906	0.500	0.128	714
T-Note 1.125 7/31/2021	91282S76	12/19/2019		N/A	7/31/2021	20,000,000	19,964,621	20,070,312	1.125	1.663	122
T-Note 1.125 8/31/2021	91282F6	1/24/2019		N/A	8/31/2021	20,000,000	19,882,482	20,089,062	1.125	2.587	153
T-Note 1.375 10/15/2022	91282YK0	12/13/2019		N/A	10/15/2022	20,000,000	19,904,990	20,379,688	1.375	1.692	563
T-Note 1.375 10/15/2022	912827K0	12/23/2019		N/A	10/15/2022	20,000,000	19,916,057	20,379,688	1.375	1.655	563
T-Note 1.75 7/15/2022	912827C8	12/18/2019		N/A	7/15/2022	20,000,000	20,025,836	20,432,795	1.750	1.647	471
T-Note 1.875 10/31/2022	91282M49	12/23/2019		N/A	10/31/2022	20,000,000	20,066,355	20,546,875	1.875	1.659	579
T-Note 2 5/31/2021	91282WN6	1/24/2019		N/A	5/31/2021	20,000,000	19,980,893	20,063,604	2.000	2.593	61
T-Note 2 8/31/2021	91282D72	12/19/2019		N/A	8/31/2021	20,000,000	20,027,717	20,160,938	2.000	1.662	153
T-Note 2.125 5/15/2022	9128286U9	12/18/2019		N/A	5/15/2022	20,000,000	20,102,762	20,452,344	2.125	1.656	410
T-Note 2.25 4/15/2022	9128286M7	12/18/2019		N/A	4/15/2022	20,000,000	20,120,988	20,448,438	2.250	1.655	380
T-Note 2.5 2/15/2022	9128286C9	12/13/2019		N/A	2/15/2022	20,000,000	20,138,797	20,422,656	2.500	1.691	321
T-Note 2.625 2/28/2023	9128284A5	2/24/2021		N/A	2/28/2023	20,000,000	20,961,988	20,937,500	2.625	0.110	699
T-Note 2.75 4/30/2023	9128284L1	12/18/2020		N/A	4/30/2023	20,000,000	21,084,299	21,061,719	2.750	0.144	760
T-Note 2.875 10/31/2023	9128285K2	12/23/2020		N/A	10/31/2023	20,000,000	21,405,639	21,340,624	2.875	0.150	944
Sub Total / Average						380,000,000	383,763,368	386,886,243	1.520	1.117	504
Sub Total Securities						869,546,000	874,482,596	881,240,957			
Total / Average						1,476,897,206	1,481,833,802	1,488,592,163	0.919	0.759	319

FFCB: Federal Farm Credit Bank

FHLB: Federal Home Loan Bank

FHLMC: Federal Home Loan Mortgage Corporation

FNMA: Federal National Mortgage Association

T-Note: U.S. Treasury Note

FLCLASS: The Florida Cooperative Liquid Assets Securities System

FLGIT: Florida Local Government Investment Trust